

ORDER NO. 1464

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Tony Hammond; and
Robert G. Taub

Competitive Product Prices
Global Expedited Package Services 3 (MC2010-28)
Negotiated Service Agreement

Docket No. CP2012-56

NOTICE AND ORDER CONCERNING AN ADDITIONAL
GLOBAL EXPEDITED PACKAGE SERVICES 3 CONTRACT

(Issued September 13, 2012)

I. INTRODUCTION

Notice of filing. On September 11, 2012, the Postal Service filed a notice announcing that it is entering into an additional Global Expedited Package Services (GEPS) 3 contract.¹ The Notice was filed in accordance with 39 CFR 3015.5. Notice at 1.

Background. Customers for GEPS contracts are small- or medium-size businesses that mail products directly to foreign destinations using Express Mail

¹ Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, September 11, 2012 (Notice).

International, Priority Mail International, or both. *Id.* at 4. Governors' Decision No. 08-7 (as GEPS 1) established prices and classifications not of general applicability for GEPS contracts. *Id.* at 1. A grouping for GEPS 3 contracts was later added to the competitive product list as an outcome of Docket Nos. MC2010-28 and CP2010-71. The contract filed in Docket No. CP2010-71 is the baseline agreement for purposes of establishing whether subsequent agreements proposed for inclusion within the GEPS 3 grouping are functionally equivalent. *Id.* at 1-2.

Contents of filing. The filing includes a Notice, along with the following attachments:

- Attachment 1—redacted copy of the instant contract;
- Attachment 2—the redacted certification required under 39 CFR 3015.5(c)(2);
- Attachment 3—redacted copy of Governors' Decision No. 08-7 (including attachments thereto); and
- Attachment 4—application for non-public treatment of the materials filed under seal.

It also includes material filed under seal (consisting of the contract and supporting documents); and Excel spreadsheets as to supporting financial data and information.

In the Notice, the Postal Service asserts that the instant contract and the baseline contract are functionally equivalent because they share similar cost and market characteristics. *Id.* at 3. It notes that the pricing formula and classification established in the Governors' Decision No. 08-7 ensure that each GEPS contract meets the criteria of 39 U.S.C. 3633 and related regulations. *Id.* The Postal Service identifies differences between the instant contract and the baseline contract, but asserts that the differences do not affect either the fundamental service being offered or the fundamental structure of the contract. *Id.* at 3-6. The Postal Service also addresses pertinent Mail Classification Schedule matters. *Id.* at 3. It states that, based on the discussion in its Notice and the financial data provided under seal, the instant GEPS 3 contract is in

compliance with the requirements of 39 U.S.C. 3633 and is functionally equivalent to the baseline contract, and therefore should be added to the GEPS 3 product grouping.

Expiration. The agreement is set to expire 1 year after the Postal Service notifies the customer that all necessary approvals and reviews of the agreement have been obtained, including a favorable conclusion by the Commission. *Id.*

II. COMMISSION ACTION

The Commission establishes Docket No. CP2012-56 for consideration of matters raised in the Notice. Interested persons may submit comments on whether the Postal Service's contract is consistent with the policies of 39 U.S.C. 3632 and 3633. Comments are due no later than September 21, 2012. The public portions of the Postal Service's filing can be accessed via the Commission's website at <http://www.prc.gov>.

The Commission appoints James F. Callow to represent the interest of the general public (Public Representative) in this case.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2012-56 for consideration of matters raised in the Postal Service's September 11, 2012 Notice.
2. Pursuant to 39 U.S.C. 505, the Commission designates James F. Callow to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this case.

3. Comments by interested persons are due no later than September 21, 2012.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary